

How to Plan your Estate

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HERZOG
LAW FIRM

YEARS OF SERVING THE CAPITAL REGION & HUDSON VALLEY

Excuses Why You Don't Do Estate Planning



You're not going to die

You've been too busy

You can't stand thinking
about a future that
doesn't include you

Advance Directives

An often overlooked area of estate planning is loss of capacity. The reality is that anyone, at any age, can be left incapacitated without warning.

Significant others do not have the authority to make health care, end of life or burial decisions for you without proper documentation.





Advance Directives

Durable Power of Attorney

Health Care Proxy/Living
Will

Disposition of Remains
form

MOLST- Medical Orders for
Life-Sustaining Treatment

Power of Attorney

- Principal (you) appoints an Agent (spouse, child, friend) to manage your financial and legal affairs if you become incapacitated
- If there is no Power of Attorney and you become incapacitated, then you must petition the court to have a Guardian appointed



Health Care Proxy

Health Care Proxy

Allows you to appoint an agent (family or friend) to make health care decisions for you if you become incapacitated

Living Will

This is a separate document that can be signed separately or with your Health Care Proxy that gives your agent your wishes as to end of life care



Wills

- ▶ Just over 1/3 of Americans have a will, and fewer have any estate planning documents at all.
- ▶ People do not want to think about dying.



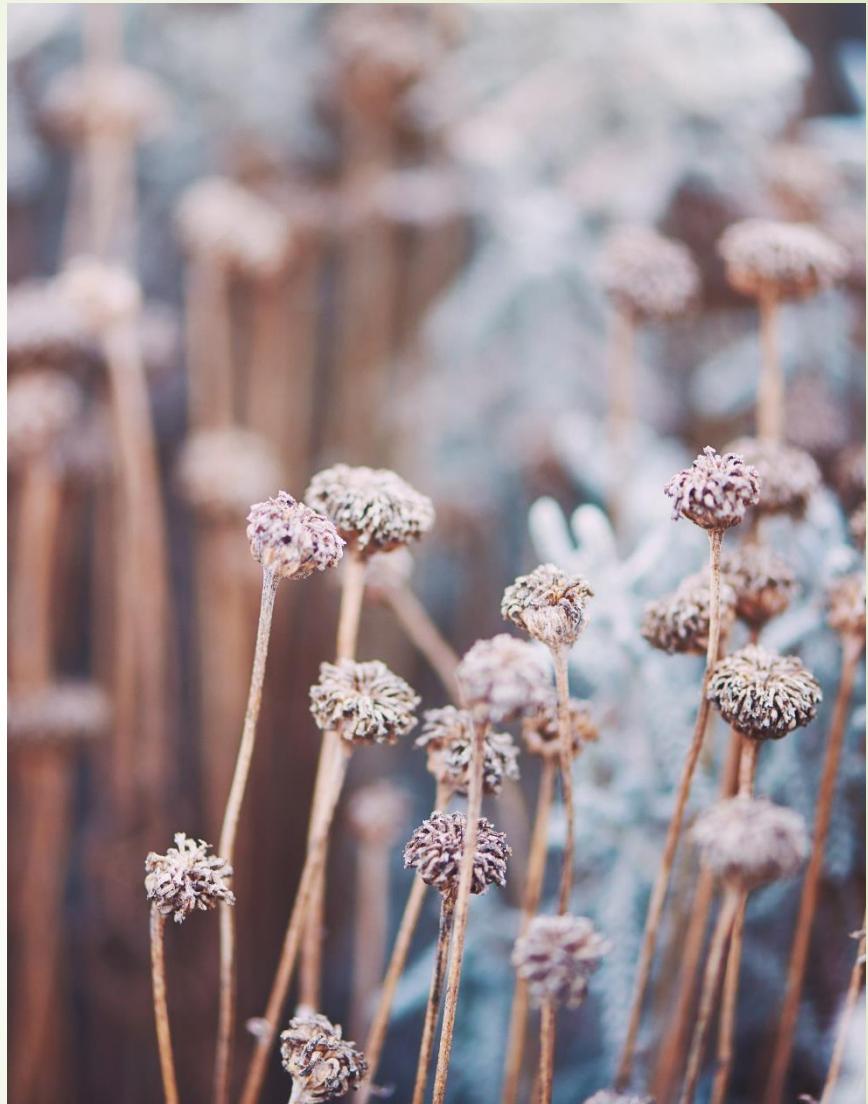
Wills

- ▶ Simple Wills
- ▶ Pour over Wills
- ▶ Wills with a Bypass Trust



Wills

- ▶ Who should be the Executor?
- ▶ Do you have specific bequests?
- ▶ What if a beneficiary predeceases you?
- ▶ Are any of your beneficiaries minors, disabled, or have other special circumstances?
- ▶ Should you create a trust for your beneficiaries?



Retirement Plans and Life Insurance

- ▶ Have you named beneficiaries?
- ▶ Do you need life insurance?
- ▶ Rollover your 401K plan after you retire
- ▶ Plan for Required minimum distributions
- ▶ Social Security planning
- ▶ Health insurance costs



Trusts

- ▶ Living Trusts can be a valuable tool for people who want to keep their affairs private, avoid probate, disinherit a family member or protect assets.
- ▶ It is more difficult to challenge a trust than a will.





Types of Trusts

- ▶ Revocable
- ▶ Irrevocable
- ▶ Life Insurance
- ▶ Special Needs

Revocable Trust

- ▶ You are Trustee
- ▶ You are in Control
- ▶ Terms can be Changed
- ▶ Access to funds
- ▶ Avoid Probate

Irrevocable Trust



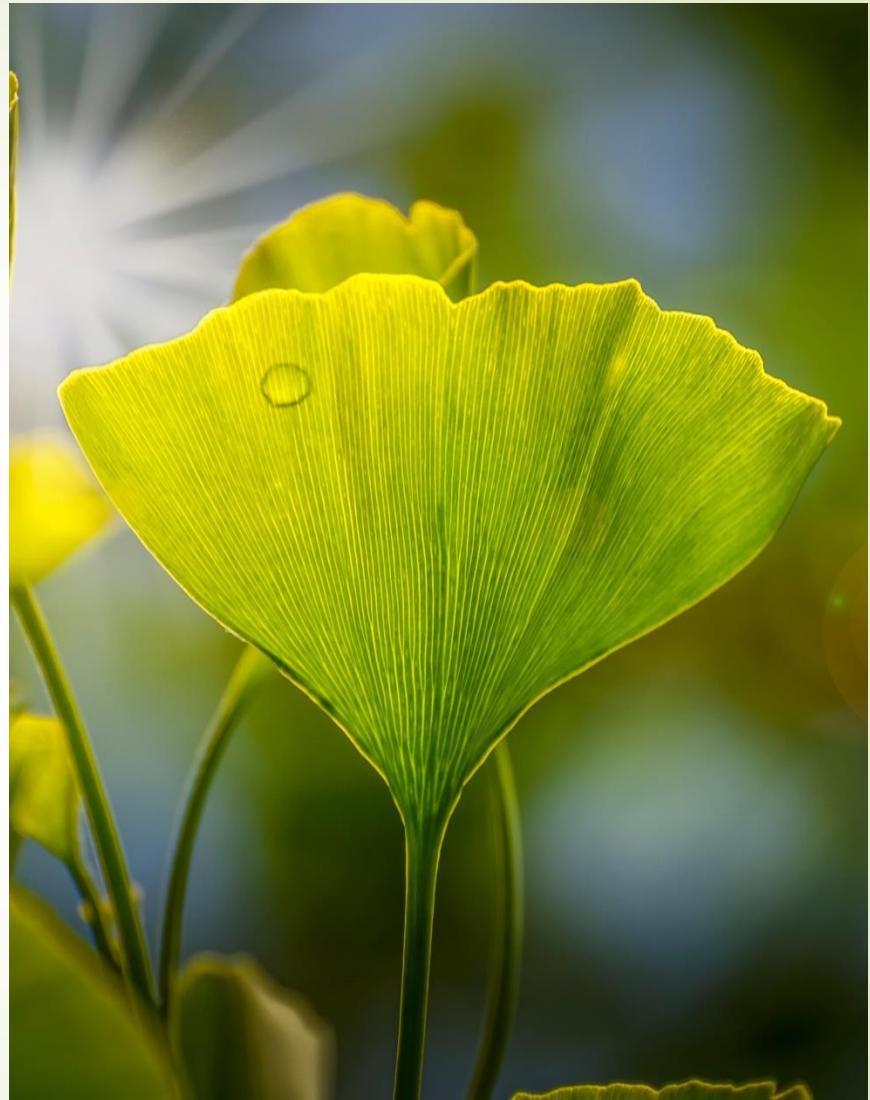
Provides asset protection if you need long term care



Need to plan in advance to avoid lookback period

Irrevocable Trust

- ▶ You hire or fire Trustee
- ▶ You decide what assets go in trust
- ▶ You receive income from trust
- ▶ You decide the beneficiaries
- ▶ Partial Revocation
- ▶ Avoid Probate



Long Term Care

- About 14 percent of all people over age 65 have two to three chronic conditions that erode their ability to live independently.
- We can expect nearly 11 million vulnerable boomers requiring assistance.





Long Term Care

- ▶ How will you pay for Long Term Care?
 - ▶ PrivatePay
 - ▶ Long Term Care Insurance
 - ▶ Medicare
 - ▶ Medicaid

Estate and Gift Tax

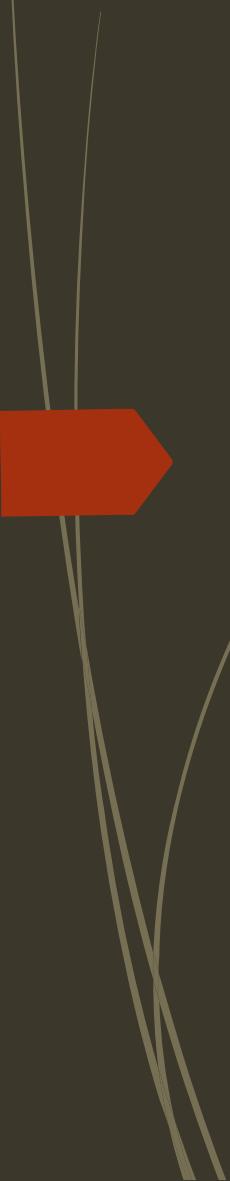
- ▶ \$5,850,000 New York State Estate tax exemption
- ▶ \$11,580,000 Federal Estate Tax Exemption
- ▶ \$15,000 annual gift tax exclusion



Business Succession Planning

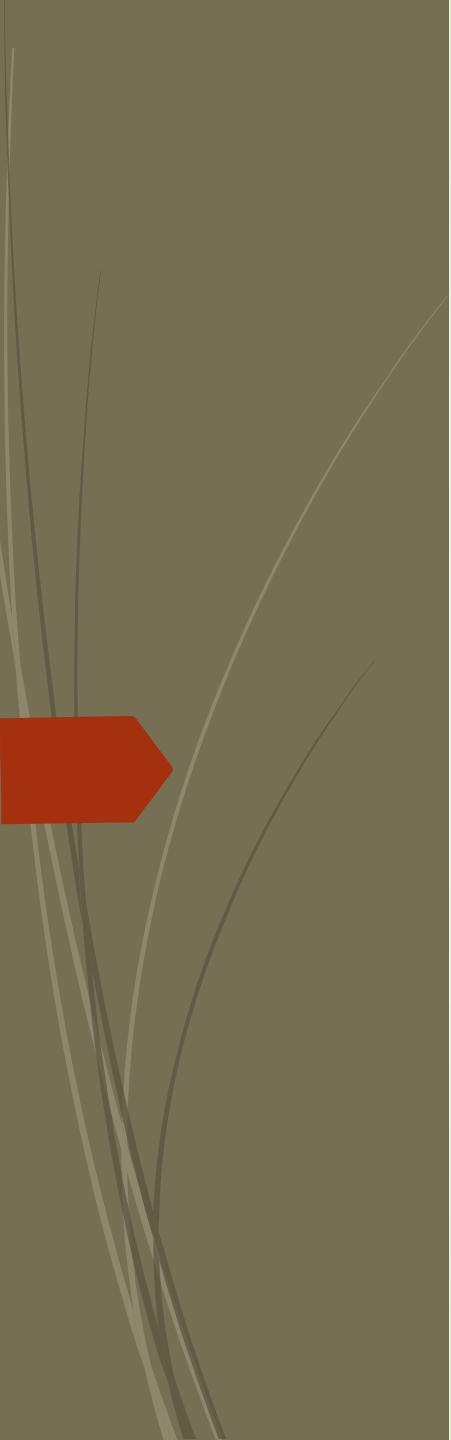
- ▶ The manner in which a business is organized affects estate planning and the owner's liability.
- ▶ A perfect personal estate plan that does not include your business plan will cause anxiety for your family as well as your business partners.





Business Succession Planning

- ▶ **Will your business continue after your death? Will it have to be liquidated?**
- ▶ **Will your family be bought out of the business?**
- ▶ **Do you have life insurance?**



Sooner is Better than Later

Planning ahead puts you in control of your estate plan



Have more questions?

Call or email us for a free consultation

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Don't Wait Until It's too Late